



PUBLIC BANKRUPTCY REPORT
OI BRASIL HOLDINGS COÖPERATIEF U.A.

NUMBER: 3

DATE: 29 September 2017

Company Details	:	Oi Brasil Holdings Coöperatief U.A.
Chamber of Commerce number	:	52578518
Suspension of payments number:	:	S.13/16/41
Bankruptcy number	:	F.13/17/163
Date appointment undisclosed administrator	:	28 July 2016
Date granting of provisional suspension of payments	:	09 August 2016
Date of declaration of bankruptcy	:	07 July 2017
District Court	:	in Amsterdam
Administrator/Bankruptcy Trustee	:	J.R. Berkenbosch
Supervisory Judge	:	W.F. Korthals Altes
Company operations	:	Financial holdings; holding and financing activities
Reporting period	:	1 March 2017 to 28 September 2017
Hours worked 1 March 2017 to 31 August 2017	:	4,003.8
Hours worked during the suspension of payments (9 August 2016 to 18 April 2017)	:	4,264.0
Hours worked during the bankruptcy (19 April 2017 to 31 August 2017)	:	3,332.7

1. INTRODUCTORY REMARKS

1.1 This is the third public report from J.R. Berkenbosch in the insolvency proceedings of Oi Brasil Holdings Coöperatief U.A. (**Oi Coop**). This third report describes the developments in the insolvency proceedings of Oi Coop during the period 1 March 2017 to 28 September 2017. During this reporting period, on 19 April 2017, the provisional suspension of payments of Oi Coop was withdrawn and Oi Coop was declared bankrupt. J.R. Berkenbosch was appointed as bankruptcy trustee of Oi Coop. This third public report therefore describes both developments in the provisional suspension of payments of Oi Coop (until 19 April 2017) and developments in the bankruptcy of Oi Coop (from 19 April 2017). For the sake of readability, *mr.* J. R. Berkenbosch will in this report be referred to as the **Bankruptcy Trustee**.

1.2 In this report, the Bankruptcy Trustee presents the current state of affairs in a simplified manner in accordance with the reporting guidelines applicable in the Netherlands. This report contains data and information obtained from various sources and their correctness has in part not yet been established. Amounts are approximations and may still change, for example as a consequence of exchange rate fluctuations. The completeness or accuracy of the data and information provided cannot be assessed at this time. No rights can be derived from this report. Nothing in this report may be construed as an acknowledgement of liability or as a waiver of any right.

1.3 Public reports are published in the Central Insolvency Register (<http://insolventies.rechtspraak.nl>) and on the website the Bankruptcy Trustee uses to communicate with the creditors and noteholders of Coop (www.oibrasilholdingscoop-administration.com) (the "**Website**"). Relevant information and documents with regard to developments regarding Oi Coop, the suspension of payments and the bankruptcy are made available online on the Website. We advise interested parties to visit the Website regularly.

1.4 This report builds on previous public reports. For a complete account and a proper understanding of the definitions used, it is therefore recommended to read the previous public reports. This report and the subsequent reports will be published in Dutch and in English. The Dutch version prevails.

1.5 Given the complexity and the cross-border aspects of this file, the Bankruptcy Trustee's colleagues from his firm's offices in the United States are assisting him in the performance of his duties. Berkenbosch has furthermore engaged the services of Soares Bumachar Chagas Barros Advogados ("**SB**") and E. Munhoz (**Munhoz**), local legal advisors who advise on Brazilian law.

2. MOST IMPORTANT DEVELOPMENTS DURING THE REPORTING PERIOD

2.1 Set out below are the most important developments in the insolvency proceedings of Oi Coop during the current reporting period.

The Netherlands

(i) The Bankruptcy Trustee's Section 225 DBA petition dated 12 April 2017 in connection with the vote on the Dutch Composition (see chapter 4 of this report).

- (ii) The issue of Oi Coop's bankruptcy order on 19 April 2017 (see chapter 10 of this report).
- (iii) The issue of PTIF's bankruptcy order on 19 April 2017 (see chapter 10 of this report).
- (iv) The Pauliana Proceeding, summons dated 30 May 2017 (see chapter 10 of this report).
- (v) Oi Coop's Section 69 DBA petition dated 31 July 2017 and the subsequent decision of the supervisory judge dated 8 August 2017 (see chapter 10 of this report).

Brazil

- (vi) Proceedings further to the RJ Court's decision dated 12 May 2017 (see chapter 10 of this report).
- (vii) The Bankruptcy Trustee's Objection dated 12 July 2017 to the Brazilian RJ Plan (see chapter 5 of this report).
- (viii) Proceedings further to the RJ Court's decision dated 21 August 2017 with regard to the consolidation (see chapter 10 of this report).
- (ix) Creditors Meeting on 9 and 23 October 2017 (see chapter 5 of this report).

The United States

- (x) The petition the Bankruptcy Trustee filed with the U.S. Bankruptcy Court in New York dated 7 July 2017 for the Dutch bankruptcy of Oi Coop to be recognised as a foreign main proceeding under the US Chapter 15 procedure (see chapter 6 of this report).

3. BACKGROUND AND ORGANISATION

3.1 See also the Bankruptcy Trustee's first public report dated 23 September 2016¹.

3.2 On 12 January 2017 Oi S.A., as the only member of Oi Coop, has passed a resolution whereby the moment Oi Coop is declared bankrupt (i) Messrs. Lavatori Correa and Malavazi Martins are replaced as directors by the company incorporated under Brazilian law Bryophyta SP Participações S.A. and (ii) the aforementioned gentlemen are granted full discharge from liability for their conduct as directors of Oi Coop. On 19 April 2017, Oi Coop was declared bankrupt and the aforementioned resolution of Oi S.A. was passed.

3.3 At the time of this third report, the board of Oi Coop (the '**Board**') is formed by Bryophyta SP Participações S.A.

4. THE DUTCH COMPOSITION

4.1 See also the Bankruptcy Trustee's second public report dated 3 March 2017².

¹ The first public report is published on the Website (www.oibrasilholdingscoop-administration.com).

Suspension of payments composition cancelled

- 4.2 The Dutch Composition, as defined in chapter 4 of the Bankruptcy Trustee's second public report dated 3 March 2017 has lapsed due to Oi Coop being finally declared bankrupt on 7 July 2017 (see chapter 10 of this report), given that it concerned a composition in a suspension of payments and the Dutch Bankruptcy Act (DBA) stipulates that such a composition lapses if the suspension of payments has finally been terminated (see Section 254 DBA).
- 4.3 This does *not* mean that a composition can no longer be concluded at this time. In the bankruptcy, too, Oi Coop can offer its creditors a composition. Oi Coop can do this at the creditors meeting at the latest. At the time of this third report, no creditors meeting has as yet been scheduled in the bankruptcy of Oi Coop. Consequently, there is no legal restriction for Oi Coop to offer a bankruptcy composition.
- 4.4 The Bankruptcy Trustee is of the opinion that a bankruptcy composition to be offered by Oi Coop could largely correspond with the suspension of payments composition it previously offered, in the sense that it would reflect the Brazilian RJ Plan (see chapter 5 of this report). The Bankruptcy Trustee understands from Oi Coop's Dutch counsel that, as far as Oi Coop is concerned, offering a bankruptcy composition is an option.

Voting procedure in the Dutch Composition

- 4.5 On granting the provisional suspension of payments to Oi Coop on 9 August 2016, the Amsterdam District Court also decided that the consultation and voting by creditors on the suspension of payments composition offered by Oi Coop, would take place on 18 May 2017 and that the creditors had to file their claims with the Bankruptcy Trustee no later than on 4 May 2017.
- 4.6 At that time, (9 August 2016) the vote on and approval of the Brazilian RJ Plan in Brazil was expected to take place before 18 May 2017, so that Oi Coop's creditors would be familiar with the content of the Brazilian RJ Plan at the time of the vote on the suspension of payments composition in the Netherlands. This is relevant, because they would consequently also be familiar with the content of the suspension of payments composition. After all, the suspension of payments composition refers to the Brazilian RJ Plan in the sense that the creditors, under the suspension of payments composition, are offered the compensation they are offered by Oi Coop under the Brazilian RJ Plan.
- 4.7 A proper vote on a composition offered by Oi Coop in the Netherlands requires timely measures to be taken. Setting up and conducting voting procedures takes a lot of time. In addition to the alignment envisaged by Oi Coop and the Oi Group with the Brazilian voting procedure, account must also be taken of the international structure and the complications in determining who Oi Coop's creditors are.
- 4.8 The Coop Notes are listed notes issued by Oi Coop. The Coop Notes were issued under New York State Law. Bank of New York Mellon is acting as an indenture trustee (the '**Indenture Trustee**') and is the legal owner of the Coop Notes. However, the beneficial owners of the Coop Notes, are the Coop Noteholders (investment funds and private investors). Under Dutch bankruptcy law, in principle only legal owners qualify as creditors. However, the Bankruptcy Trustee believes that for, for example, the vote on a composition in the Netherlands the beneficial owners qualify as creditors. This is also in keeping with New York State Law, which considers the beneficial owners of the Coop Notes (the 'Coop Noteholders') to be creditors. Who the Coop Noteholders are may differ from day to day,

² The second public report is published on the Website.

because the Coop Notes are still tradeable. All of this results in complications in determining who Oi Coop's creditors are and who is allowed under Dutch law to vote on a composition in the Netherlands.

- 4.9** In similar cross-border restructuring operations with noteholders, such problems with regard to the vote on a composition in the Netherlands have been solved by means of Section 225 DBA. Pursuant to this section, the Dutch District Court can make such provisions that are deemed necessary to protect the interests of the creditors. The District Court can do this independently, or at the request of the supervisory judge, the administrator or one or more creditors.
- 4.10** Since Oi Coop failed to make the voting procedure sufficiently concrete and in view of the upcoming vote on 18 May 2017, the Bankruptcy trustee contacted the Indenture Trustee, who plays an important role in the voting procedure. In the event of notes issued under New York State Law, it is customary for voting forms and explanatory notes thereto to be distributed via the Indenture Trustee to the institutions affiliated with the clearing agencies, which in turn distribute the documents further so that they will ultimately end up with the beneficial owners. The Bankruptcy Trustee has had frequent contact with the Indenture Trustee and his American and Dutch lawyers. With a view to the vote itself, the Bankruptcy Trustee drew up a draft Section 225 DBA petition, in which the Amsterdam District Court is requested to make provisions that are necessary to allow the beneficial owners to vote. The Bankruptcy Trustee submitted the aforementioned draft to Oi Coop and requested Oi Coop to comment on the draft.

Section 225 DBA petition by the Bankruptcy Trustee

- 4.11** On 30 March 2017, Oi Coop informed the Bankruptcy Trustee that it did not consider it feasible that the vote in Brazil on the Brazilian RJ Plan should take place before 18 May 2017 and that it would therefore like to postpone the vote in the Netherlands until the end of July 2017. A large group of creditors, the International Bondholder Committee (**IBC**), however, was against postponing the vote on the composition. The IBC consists of holders of Coop Notes and PTIF Notes amounting to, in its own words, a total value of approximately USD 2.2 billion.
- 4.12** For this reason, and due to the lack of clarity regarding the course of the vote on 18 May 2017 without the usual measures having been taken, the Bankruptcy Trustee independently filed a Section 225 DBA petition with the Amsterdam District Court on 13 April 2017.
- 4.13** In his Section 225 DBA petition, the Bankruptcy Trustee requested the District Court to establish whether it is possible and desirable for the vote on the suspension of payments composition to take place on 18 May 2017 and if not, to set a new date on which Oi Coop's creditors can vote (i) on whether the suspension of payments should definitively be granted to Oi Coop, or (ii) on the suspension of payments composition. In that context, the Bankruptcy Trustee stressed that if the vote does not take place on 18 May 2017 the creditors must be given the opportunity, as soon as possible thereafter, to comment on the further course of Oi Coop's suspension of payments by means of a vote.
- 4.14** PTIF's administrator, *mr.* J.L.M. Groenewegen, filed a similar petition in the suspension of payments of PTIF. For more information on the insolvency proceedings of PTIF, please see the public reports of PTIF's bankruptcy trustee³.
- 4.15** In his Sixth notice to creditors and noteholders dated 14 April 2017, the Bankruptcy Trustee informed Oi Coop's creditors of the filing of his Section 225 DBA petition. This

³ The public reports in the insolvency proceedings of PTIF are published on www.cms-dsb.com/ptif.

notice was distributed to the Coop Noteholders via the Indenture Trustee and is also published by the Bankruptcy Trustee on the Website.

- 4.16 The Amsterdam District Court subsequently set the date of the hearing of the Section 225 DBA petitions of the Bankruptcy Trustee and PTIF's bankruptcy trustee at 20 April 2017.
- 4.17 Due to the bankruptcy orders issued on both Oi Coop and PTIF by decisions of the Amsterdam Court of Appeal of 19 April 2017 (see chapter 10 of this report), the hearing of the Section 225 DBA petition that was scheduled on 20 April 2017 did not take place.
- 4.18 If Oi Coop were to decide to offer its creditors a new composition in the Netherlands, part of the activities already carried out by the Bankruptcy Trustee in preparation of the vote on the expired suspension of payments composition can partially be elaborated on in the preparation of the vote on that bankruptcy composition.

5. THE BRAZILIAN RJ

Brazilian RJ extended by 180 business days

- 5.1 On commencement of the Brazilian RJ on 29 June 2016, it was extended by a period of 180 business days, ending on 16 May 2017. On 4 May 2017, the RJ Debtors, including Oi Coop, requested the RJ Court (the Brazilian court that supervises the judicial restructuring of the RJ Debtors) to extend the Brazilian RJ by a period of another 180 business days. This request was granted on 15 May 2017. As a result, the Brazilian RJ was extended to February or March 2018 (the exact end date is yet to be determined).

Dismissal Pricewaterhouse Coopers as administrator

- 5.2 Initially, Pricewaterhouse Coopers and Arnaldo Wald were appointed administrators of the (individual) RJ Debtors. On 31 March 2017, the RJ Court dismissed Pricewaterhouse Coopers 2017 as administrator. The Bankruptcy Trustee understands that this happened due to errors in drawing up the Second List of Creditors.
- 5.3 At the same time, the RJ Court appointed BDO Consultoria as co-administrator, to replace Pricewaterhouse Coopers. BDO Consultoria, however, did not accept this appointment. Ultimately, Arnaldo Wald was appointed as the only Brazilian administrator. Oi S.A. communicated this to the market on 10 April 2017.

Second list of Creditors

- 5.4 Within a certain period after the start of the Brazilian RJ, the debtor must draw up and publish a list of creditors. This list contains the names of the creditors and the amounts of their claims. This is referred to as the First List of Creditors. After publication of the First List of Creditors, creditors will have 15 business days to lodge a formal objection to the list with the Brazilian administrator. The Brazilian administrator checks, taking account of possible objections by creditors, the First List of Creditors and then draws up a definitive list of creditors, the Second List of Creditors.
- 5.5 The RJ Debtors, including Oi Coop, published the First List of Creditors on 20 September 2016. They have opted for one consolidated list of all their joint creditors. That list contains the names of the creditors and the amounts of their claims, but it is not made clear which debt belongs to which of the seven RJ Debtors.

- 5.6 The creditors of the RJ Debtors had until 11 October 2016 to object to the First List of Creditors. Because the First List of Creditors did not clearly state in which class Oi Coop's intercompany claims against Oi S.A. and Oi Móvel totalling EUR 5.6 billion (the Intercompany Claims) were placed, the Bankruptcy Trustee lodged a formal objection with the Brazilian Administrators.
- 5.7 At the time of the Bankruptcy Trustee's second public report dated 3 March 2017, the deadline for the Brazilian Administrators for the publication of the *Second List of Creditors* was 27 March 2017.
- 5.8 Partly due to the dismissal of Pricewaterhouse Coopers as administrator, the publication of the *Second List of Creditors* was delayed. Arnaldo Wald ultimately published the *Second List of Creditors* on 29 May 2017⁴. This caused two time periods to start; a period of 10 business day to lodge a formal objection to the Second List of Creditors itself and a period of 30 business days to lodge a formal objection to the Brazilian RJ Plan.
- 5.9 The Bankruptcy Trustee did not object to the Second List of Creditors, because Intercompany Claims for the correct amounts are shown as unsecured claims on the list. The Coop Noteholders' claims against Oi Coop were submitted by the Indenture Trustee. The Second List of Creditors mentions the Indenture Trustee as a creditor for an amount equal to the total of the Coop Noteholders' claims against Oi Coop.
- 5.10 The Bankruptcy Trustee pointed out to the Indenture Trustee that, in addition to their claims against Oi Coop, the Coop Noteholders also have claims against Oi S.A. under the guarantee provided by Oi S.A. (the Guarantee Claims; see also the Bankruptcy Trustee's second public report dated 3 March 2017). However, the Indenture Trustee saw no reason to object to the Second List of Creditors on the basis thereof, because that is a consolidated list of creditors.
- 5.11 The Bankruptcy Trustee did object to the Brazilian RJ Plan, see more on this below under "Objections to the Brazilian RJ Plan".

The Brazilian RJ Plan

- 5.12 The RJ Debtors submitted the Brazilian RJ Plan on 5 September 2016. For a detailed description of the Brazilian RJ Plan dated 5 September 2016, see the Bankruptcy Trustee's second public report dated 3 March 2017.
- 5.13 In a press release of 22 March 2017 with annex⁵, the Oi Group announced that an amended version of the Brazilian RJ Plan would be submitted in the short term. The amendments have been explained in the annex to the press release. In a "Q&A – Judicial Reorganization" dated 31 August 2017⁶ drawn up by the Oi Group, the amendments are described as "*certain basic amendments (...) to the financial terms of the RJ Plan.*"
- 5.14 At the time of the third public report, the RJ Debtors did not yet submit an amended version of the Brazilian RJ Plan. In a press release of 21 September 2017, the Oi Group announced that they wanted to submit an amended version of the Brazilian RJ Plan in the short term.

Objections to the Brazilian RJ Plan

⁴ The Second List of Creditors is published on www.tjrj.jus.br/documents/10136/1709761.

⁵ The press release of 22 March 2017 with annex is published on www.recjud.com.br.

⁶ The "Q&A – Judicial Reorganization" dated 31 August 2017 is published on www.recjud.com.br.

5.15 Several creditors of the RJ Debtors strongly criticized the Brazilian RJ Plan dated 5 September 2016, even after the amendments announced by the Oi Group on 22 March 2017. Press releases and proceedings in the Brazilian RJ, among other things, which are public, show that creditors find it particularly difficult (i) that the shareholders of the Oi Group retain too much value at the expense of the creditors and (ii) that the Brazilian RJ Plan is a consolidated plan.

(i) Shareholders' position

5.16 The amendments of the Brazilian RJ Plan announced by the Oi Group on 22 March 2017 demonstrates that the shareholders of the Oi Group want to retain 75% of their shares. For many creditors, especially holders of notes, this is unacceptable.

(ii) Consolidation

5.17 The Oi Group has opted to allow the seven different RJ Debtors to offer one consolidated plan. The RJ Debtors therefore jointly make a proposal to their joint creditors on the basis of their combined assets and liabilities. The debts and claims between the RJ Debtors are not taken into consideration.

5.18 As the Bankruptcy Trustee understands from his Brazilian counsel, the Brazilian system also takes as a starting point that the individual members of a group have a separate legal personality. Every debtor is responsible for its debts with its own assets. Consolidation is an exception.

5.19 The Bankruptcy Trustee, and several other creditors of the RJ Debtors are therefore of the opinion that, if consolidation is opted for, as the RJ Debtors have done, the individual financial position must in any case be made clear. Otherwise, the creditors will not be able to assess what is being offered to them on a consolidated basis.

5.20 The RJ Debtors have thus far refused to provide information about their individual financial positions. This has been a reason for the Bankruptcy Trustee and several other creditors to turn to the RJ court. These proceedings in the Brazilian RJ are pending before different courts. The RJ Court also ruled that the RJ Debtors are not obliged to provide Separate Creditors' lists (see also the Bankruptcy Trustee's second public report dated 3 March 2017). Several other appeal proceedings are pending.

5.21 In addition, the Bankruptcy Trustee and PTIF's bankruptcy trustee turned to the Brazilian Administrator by letter of 2 August 2017 and requested him to publish the necessary information. On 4 August 2017, they informed the RJ Court of their letter to the Brazilian Administrator by means of an RJ Filing. However, the Brazilian Administrator stated - referring to orders of the RJ Court - that it would not publish information giving insight into the individual financial positions of the RJ Debtors.

5.22 In a letter dated 16 June 2017, the Brazilian counsel of the Bankruptcy Trustee made the latter's substantive objections to the Brazilian RJ Plan known to the most important stakeholders in the Brazilian RJ, including ANATEL (the Brazilian Radiocommunications Agency that supervises the implementation of concessions of the Oi Group), several Brazilian banks and the largest creditor groups. Oi S.A., the Board and their Brazilian and American counsel also received a copy of this letter. The Bankruptcy Trustee also published his letter in the Brazilian case records on 5 July 2017.

Formal objections to the Brazilian RJ Plan

- 5.23** The fact that many creditors, representing a substantial part of the total debt burden of the RJ Debtors (approximately EUR 20 billion), are not satisfied even after the amendments of the Brazilian RJ Plan announced by the Oi Group, is also evidenced by the formal objections filed with the Brazilian Administrator.
- 5.24** The period for filing objections to the Brazilian RJ Plan, which commenced with the publication of the Second List of Creditors on 29 May 2017, ended on 12 July 2017. Within that period, multiple creditors filed an objection, including noteholders, banks, but also, for instance, ANATEL. ANATEL has claims totalling USD 3.5 billion against the RJ Debtors.
- 5.25** The Bankruptcy Trustee, in consultation with his Brazilian counsel and with the authorisation of the supervisory judge, also lodged a formal objection to the Brazilian RJ Plan. After all, the amendments of the plan announced by the Oi Group on 22 March 2017 demonstrate, also in the amended version of the plan, that:
- (i) does not awards any compensation for the Intercompany Claims totalling EUR 5.6 billion;
 - (ii) the Coop Transactions totalling EUR 3.7 billion, which the Bankruptcy Trustee deems fraudulent and unlawful under Dutch law (see chapter 7 of this report) are not taken into account;
 - (iii) the fact that the Coop Noteholders have claims against Oi S.A. (the Guarantee Claims) in addition to their claims against Oi Coop, is not taken into account.
- 5.26** The Bankruptcy Trustee's objection to the Brazilian RJ Plan was lodged by his Brazilian counsel on 12 July 2017⁷.
- 5.27** PTIF's bankruptcy trustee lodged a formal objection to the Brazilian RJ Plan on behalf of PTIF. PTIF has a claim against Oi Coop of EUR 3.8 billion.

Creditors Meeting

- 5.28** As a result of the formal objections to the Brazilian RJ Plan, a creditors' meeting (**Creditors Meeting**) must take place. During the Creditors Meeting, creditors can hold meetings with each other and with the RJ Debtors about the approval, amendment or rejection of the Brazilian RJ Plan. The Bankruptcy Trustee understands that it is customary for the Creditors Meeting to be held several times, as a result of which several meetings will take place. Ultimately, the 'definitive' version of the Brazilian RJ Plan will be put to a vote.
- 5.29** On 23 August 2017, the Brazilian Administrator (Arnoldo Wald) requested the RJ Court to set the date for the Creditors Meeting on 9 October 2017 and, if no vote takes place on that date, 23 October 2017 in Rio de Janeiro. The RJ Court granted this request on 24 August 2017. It becomes clear from a press release of 28 September 2017 that the Creditors Meeting has been postponed until 23 October 2017 and 27 November 2017.

Vote on the Brazilian RJ Plan

- 5.30** The Oi Group requested the RJ Court on 28 August 2017 to decide that the consolidated Brazilian RJ Plan would be put to a vote in a single Creditors Meeting. The Oi Group therefore requested that the consolidation of the Brazilian RJ Plan be confirmed, but also that it be decided that the vote on said plan take place on a consolidated basis.

⁷ An informal English translation of the objection to the Brazilian RJ Plan is published on the Website.

- 5.31** On 21 August 2017, the RJ Court granted the Oi Group's request. The Bankruptcy Trustee appealed against this decision.
- 5.32** The reporting judge of the court of appeals of Rio de Janeiro (the **Reporting Judge**) has decided, by way of preliminary relief further to the appeal lodged by the Bankruptcy Trustee, that the RJ Debtors must allow inspection of their individual financial positions and that the material consolidation of the RJ Debtors must be put to the vote on the Creditors Meeting. See also chapter 10 of this report.
- 6. US CHAPTER 15**
- 6.1** See also the second public report of the Bankruptcy Trustee dated 03 March 2017.
- 6.2** At the request of Oi Coop, the New York Bankruptcy Court recognized the Brazilian RJ Plan in respect of Oi Coop as a foreign main proceeding under US law under the US Bankruptcy Code Chapter 15 (the "**US Chapter 15**"). This caused the Brazilian RJ, or its outcome, to be recognised in the United States.
- 6.3** To substantiate its petition to the New York Bankruptcy Court, Oi Coop argued that Oi Coop's center of main interests (**COMI**) lies in Brazil.
- 6.4** The Bankruptcy Trustee is of the opinion that Oi Coop's COMI lies in the Netherlands. That is why on 7 July 2017 - the day on which Oi Coop was definitively declared bankrupt (see chapter 10 of this report) - with the authorisation of the supervisory judge, he requested the New York Bankruptcy Court to decide that, in respect of Oi Coop, not the Brazilian RJ but the Dutch bankruptcy under the US Chapter 15 is recognized as a foreign main proceeding and that the Bankruptcy Trustee is recognised as foreign representative for Oi Coop. Indeed, it is the Bankruptcy Trustee's duty to safeguard the creditors' interests, to ensure that the votes of Oi Coop's creditors count and that Dutch law is respected. The Bankruptcy Trustee can safeguard this by means of a recognition of the Dutch bankruptcy as a foreign main proceeding in the US Chapter 15 proceeding.
- 6.5** The Bankruptcy Trustee's petition for recognition dated 7 July 2017 (*Verified Petition and Motion for related relief*, the **Verified Petition**) is published on the Website. This further discusses the background and substantiation of the Bankruptcy Trustee's petition.
- 6.6** Four parties participate in the US Chapter 15 recognition proceedings: Oi S.A. and the Brazilian foreign representative for certain members of the Oi Group (the **Brazilian Foreign Representative**), the 'steering committee of the ad hoc group of bondholders of Oi S.A. and certain of its subsidiaries' (the **Steering Committee**), the IBC and the Bankruptcy Trustee. The Brazilian Foreign Representative and the Steering Committee have requested that the request for recognition of the Dutch bankruptcy be denied. The IBC has declared to support the Bankruptcy Trustee's recognition request.
- 6.7** After the Verified Petition, a large-scale discovery procedure was started at the request of the Brazilian Foreign Representative and the Steering Committee. In this procedure the Bankruptcy Trustee submitted virtually his entire file. In the context of the discovery procedure, the Amsterdam District Court, the Amsterdam Court of Appeal and the Supreme Court were requested to partially lift the duty of confidentiality they imposed on the basis of Article 29 Dutch Code of Civil Procedure, allowing the Dutch case file regarding the applications for withdrawal of the suspension of payments to become part of the American recognition proceedings. All the aforementioned Dutch courts agreed to this; the Bankruptcy Trustee therefore released the case file to the parties to the US Chapter 15

proceedings. Part of the discovery procedure is also that so-called depositions are held; the examination of witnesses under oath. The Bankruptcy Trustee was heard as an expert in the area of Dutch insolvency law and as a witness with regard to the facts. The Bankruptcy Trustee also issued written testimony, the Berkenbosch Direct Testimony.

- 6.8** On 18 September 2017 the parties gave their opening statements. On that same day, the cross examination of the Brazilian Foreign Representative also took place. The next day, the Oi Group's expert in the area of Dutch insolvency law was examined. On 25 September 2017 the proceedings were continued, with the cross examinations of the IBC and the Bankruptcy Trustee. On 26 September 2017 the closing statements were delivered. Before the American court will rule on the recognition request of the Bankruptcy Trustee, all the parties will submit a brief with proposed findings of fact and conclusions of law. Those briefs must be submitted by 6 October 2017 at the latest. The Bankruptcy Trustee expects the ruling of the American court in respect of the recognition request to be handed down in the weeks after that.

7. LAWFULNESS

Oi Coop Transactions

- 7.1** As explained in more detail in the Bankruptcy Trustee's second public report dated 3 March 2017 (chapter 7), the Bankruptcy Trustee concluded after extensive research that the Oi Coop Transactions totalling approximately EUR 3.7 billion are fraudulent and unlawful under Dutch law. The Bankruptcy Trustee is of the opinion that Oi Coop's creditors have been prejudiced as a consequence of the Oi Coop Transactions, as the majority of Oi Coop's capital is no longer available for the recovery of their claims.
- 7.2** As is also explained in more detail in the Bankruptcy Trustee's second public report dated 3 March 2017 (chapter 10), the Bankruptcy Trustee's claims in respect of the Oi Coop Transactions have formed one of the reasons for the Bankruptcy Trustee to request the Amsterdam District Court to withdraw Oi Coop's provisional suspension of payments and issue Oi Coop's bankruptcy order at the same time.
- 7.3** After the Amsterdam District Court had rejected the requests of the Bankruptcy Trustee and Citadel et al. by decision dated 2 February 2017, Citadel lodged an appeal. The Bankruptcy Trustee gave its opinion on the request of the Amsterdam Court of Appeal with regard to the appeal. The Amsterdam Court of Appeal subsequently withdrew the provisional suspension of payments and issued Oi Coop's bankruptcy order in a decision of 19 April 2017⁸. This is explained in more detail in chapter 10 of this report. In legal ground 4.5 of its decision of 19 April 2017, the Court of Appeal considers as follows:

“It is established between the parties that, in the period from June 2015 to March 2016, Oi Coop lent €5.6 million to Oi S.A. and Oi Móvel, €1.6 billion of which was lent to Oi Móvel several days before it was announced, on 9 March 2016, that a financial adviser had been appointed with a view to restructuring to debts of the Oi Group. The extract from the commercial register regarding Oi Coop, dated 22 December 2016 (Exhibit 1 to the application of Citadel et al.) reveals that A.J. Lavatori Correa has been a director of Oi Coop since 3 March 2016. In view of his business e-mail address (lavatori@oi.net.br), it is sufficiently plausible that he is an employee of one of the members of the Oi Group, or at least holds a position there. In the administrator's

⁸ The decision of the Amsterdam Court of Appeal dated 19 April 2017 is published on the Website.

second public report, dated 3 March 2017, it is mentioned under 7.3 that the €1.6 billion loan was provided to Oi Móvel after the change of directors that took place on 3 March 2016, which is not disputed by Oi Coop.

The administrator considered the aforementioned loans to be fraudulent, or at least unlawful, in nature. Aside from whether all loans meet one or more of these qualifications, partly in view of the fact that Oi Coop, as a financing vehicle within the Oi Group, ought also to consider the promotion of the durable success of the Oi Group business, this €1.6 billion loan is at any rate highly suspicious. This is because the loan was provided shortly before the restructuring of the Oi Group's debts was announced, whereby the position of Oi Coop as a financing vehicle within the Oi Group and the Oi Group's actual involvement in Oi Coop at the time this loan was provided are also relevant, given that one of its people had just become a director of Oi Coop. On the basis of these facts and circumstances, considered in mutual connection and conjunction, the Court of Appeal considers it plausible that the management of Oi Coop knew of the financial turmoil the Oi Group was in when it provided the €1.6 billion loan to Oi Móvel. Incidentally, Oi Coop asserts it did not have this knowledge.

As a restructuring of debts, in principle, leads to the situation in which creditors are not fully paid, or at least not in a timely manner, and Oi Coop knew or should reasonably have understood that Oi Móvel or Oi S.A., respectively, would not be able to fulfil their repayment obligations towards Oi Coop or their guarantee obligation vis-à-vis the noteholders, respectively, either at all or in a timely manner, it is sufficiently plausible that this constitutes a prejudicial act within the meaning of Section 242(2)(2) DBA. It is considered in this respect that Oi Coop consented to the consolidated restructuring of the debts of the Oi Group, as is apparent from the (draft) RJ Plan offered and the revised (draft) RJ Plan, whereby its claims against Oi S.A. and Oi Móvel will not be paid out on account of the Oi Coop transactions, which, at least in terms of the €1.6 billion loan to Oi Móvel, in view of its prejudicial character, does not seem logical.”

Pauliana Proceedings

- 7.4** Subsequently, the Bankruptcy Trustee served a summons on Oi S.A. and Oi Móvel on 30 May 2017, with the authorisation of the supervisory judge. With this summons, the Bankruptcy Trustee nullified the loans provided by Oi Coop to Oi S.A. and Oi Móvel - including the Oi Coop Transactions - and claimed that the Amsterdam District Court rule that aforesaid loans have been nullified in a legally valid manner and that Oi S.A. and Oi Móvel have acted unlawfully vis-à-vis Oi Coop's joint creditors.
- 7.5** In his summons, the Bankruptcy Trustee also filed a motion for an advance payment by Oi S.A. of approximately EUR 140 million and an advance payment by Oi Móvel of approximately EUR 1.55 billion.
- 7.6** The Bankruptcy Trustee filed the aforementioned motion because he is of the opinion that it is in the interest of Oi Coop's creditors that the Dutch court decides on the Oi Coop Transactions as soon as possible before the Creditors Meeting takes place in Brazil. The Bankruptcy Trustee, and the majority of Oi Coop's (indirect) creditors, are of the opinion that the Brazilian RJ Plan (taking into account the amendments announced by the Oi Group

on 22 March 2017) does not do justice to the beneficial and legal position of Oi Coop's creditors. This could be changed by means of a judgment rendered by the Dutch court in favour of the claimant.

7.7 In the proceedings initiated by the Bankruptcy Trustee (hereinafter the '**Pauliana Proceedings**') Loyens&Loeff acted on behalf of Oi S.A. and Stibbe on behalf of Oi Móvel. Subsequently, Oi Coop, represented by RESOR, claimed intervention or joinder on the part of Oi S.A. and Oi Móvel. Later, Brookfield Credit Opportunities Master Fund LP (**Brookfield**) and GoldenTree Master Fund Ltd (**GoldenTree**), represented by Baker McKenzie, also claimed joinder on the part of Oi S.A. and Oi Móvel.

7.8 The state of the Pauliana Proceedings and the motions filed by Oi S.A., Oi Móvel, Oi Coop, Brookfield and GoldenTree are explained in more detail in chapter 10 of this report.

Investigation into the causes of Oi Coop's bankruptcy

7.9 As part of his statutory duties, the Bankruptcy Trustee must investigate the causes of Oi Coop's bankruptcy, Partly in this context, the Bankruptcy Trustee must secure and take receipt of Oi Coop's entire administration.

Accounts kept by Vistra

7.10 As of 1 April 2016, Oi Coop's accounts were kept by Vistra B.V. (**Vistra**). According to the trade register of the Chamber of Commerce, Vistra has also been the authorized representative of Oi Coop, or its board, as of that date.

7.11 Since the issue of Oi Coop's bankruptcy order on 19 April 2017, the Bankruptcy Trustee has had contact with Vistra about the transfer of Oi Coop's accounts at Vistra to the Bankruptcy Trustee. That transfer should take place if and as soon as Oi Coop's bankruptcy would be final, because Oi Coop had lodged an appeal in cassation against the decision of the Amsterdam Court of Appeal dated 19 April 2017 (see also chapter 10 of this report).

7.12 After Oi Coop's bankruptcy had become final by the decision of the Supreme Court dated 7 July 2017, in which the Supreme Court rejected Oi Coop's appeal in cassation, Vistra started the transfer of Oi Coop's accounts kept by Vistra. Those accounts comprise (i) digital financial accounts, (ii) physical accounts, (iii) digital non-financial accounts (for example e-mail correspondence) and (iv) accounts of Oi Coop which Vistra had received from its predecessor Citco (as defined below).

7.13 At the time of this third report, the Bankruptcy Trustee received from Vistra the digital financial accounts, scans of the physical accounts and the accounts of Oi Coop which Vistra had received from Citco. The Bankruptcy Trustee is expecting to receive the other accounts in the short term.

Accounts kept by Citco

7.14 Trust International Management (T.I.M.) B.V. (**Citco**) was one of the directors of Oi Coop until 3 March 2016 since Oi Coop's incorporation on 21 April 2011. It also kept Oi Coop's accounts during that period. Citco was replaced as a director by Mr Lavatori Correa on 3 March 2016. Immediately after this, Oi Coop granted Oi Móvel a loan of EUR 1.6 billion⁹.

7.15 The Bankruptcy Trustee turned to Citco for two reasons. First of all, Citco was one of Oi Coop's two creditors since its incorporation until 3 March 2016. Citco is the only director

⁹ A copy of the relevant credit agreement dated 3 March 2016 is published on the Website.

of Oi Coop that fully experienced the aforementioned period of almost five years and that can therefore provide the necessary explanation with regard to Oi Coop's state of affairs.

- 7.16** Second, Citco kept Oi Coop's accounts during the above-mentioned period of almost five years. After that, Vistra took over the baton from Citco on 1 April 2016. In that context, Citco transferred certain accounts of Oi Coop to Vistra.
- 7.17** By letter of 27 July 2017, the Bankruptcy Trustee requested Citco to transfer to him all accounts, both physical and digital, including e-mail correspondence. The Bankruptcy Trustee also requested Citco to explain the course of events at Oi Coop on the basis of a questionnaire drawn up by the Bankruptcy Trustee. This is still outstanding.
- 7.18** If necessary, the Bankruptcy Trustee will also turn to the Board and former directors.

8. CREDITORS

- 8.1** Oi Coop's liabilities as at 9 August 2016 (the date on which Oi Coop was granted a provisional suspension of payments) consists of the debts to the Oi Coop Noteholders (approximately EUR 1.9 billion), to PTIF (approximately EUR 3.8 billion) and to other creditors (service providers) (approximately EUR 50,000). The PTIF Noteholders are indirect creditors of Oi Coop.

Oi Coop Noteholders

- 8.2** Oi Coop has issued two series of notes (the “Coop Notes”) under which Oi Coop – according to the Board – had approximately EUR 1.9 billion outstanding per 20 June 2016. The group of beneficial owners of the Oi Coop Notes consists of investment funds and private investors (the “Oi Coop Noteholders”).
- 8.3** The Bankruptcy Trustee frequently has contact with several creditors of Oi Coop and PTIF, especially Noteholders. The Noteholders have joined forces in various groups. The two largest groups are the IBC and the Ad Hoc Group.

PTIF

- 8.4** PTIF is Oi Coop's largest creditor. On 2 June 2015, PTIF provided Oi Coop a loan in the amount of approximately EUR 4.6 billion. This amount was actually transferred by PTIF to Oi Coop on 3 June 2015. Subsequently, Oi Coop and PTIF agreed on various adjustments to the loan. For example, the term and amount of the loan were adjusted.¹⁰ The Bankruptcy Trustee is still examining this matter.
- 8.5** On 9 August 2016 (the date on which Oi Coop was granted a provisional suspension of payments), Oi Coop still owed PTIF approximately EUR 3.8 billion, as follows from Oi Coop's available accounts. The Bankruptcy Trustee recognized this claim of PTIF as a competitive claim in Oi Coop's bankruptcy.

PTIF's bankruptcy order

- 8.6** In a decision of 19 April 2017 of the Amsterdam Court of Appeal, PTIF's provisional suspension of payments was withdrawn and PTIF's bankruptcy order was issued. In that context, J.L.M. Groenewegen was appointed as bankruptcy trustee of PTIF. For more

¹⁰ Copies of the loan of 2 June 2015 and the adjustments thereto have been published on the Website.

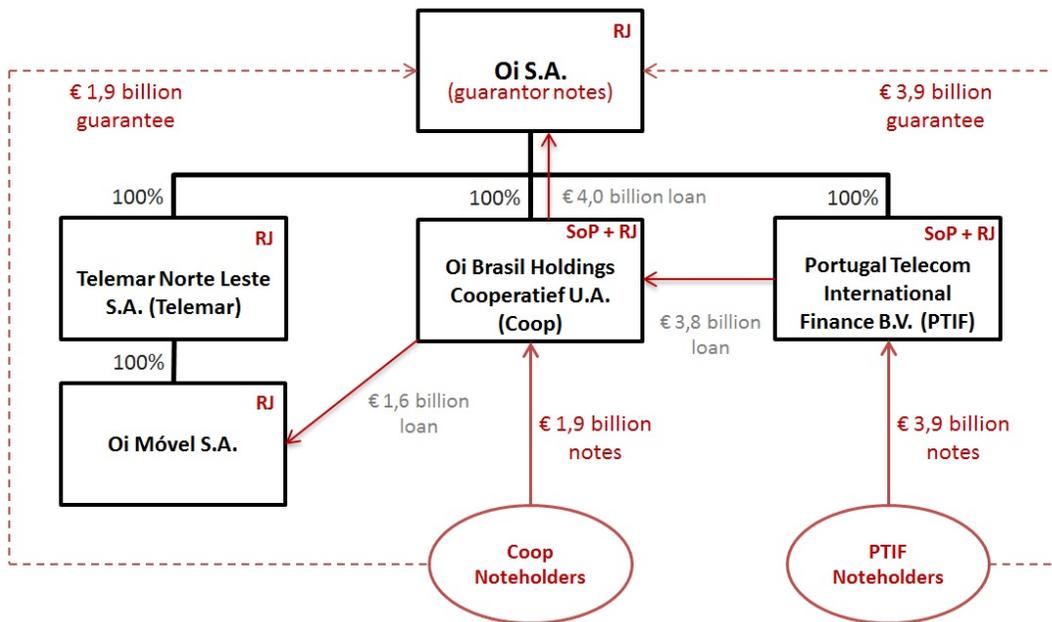
information on the insolvency proceedings of PTIF, please see the public reports of PTIF's bankruptcy trustee¹¹.

PTIF Noteholders

8.7 PTIF issued seven series of notes (the “PTIF Notes”) under which PTIF – according to the first public report of PTIF’s bankruptcy trustee of 16 November 2016 – had a total of approximately EUR 3.9 billion outstanding per 20 June 2016. The group of beneficial owners of the PTIF Notes consists of professional and private investors, but also of many consumers (one of the series of notes concerns so-called retail notes (the “PTIF Noteholders”).

Overview intercompany relationships Oi Group

8.8 The organisational chart below shows the relevant part of the intercompany relationships within the Oi Group.



Other Oi Coop creditors

8.9 The other (trade) creditors of Oi Coop's creditors have claims totalling approximately EUR 50,000. The Bankruptcy Trustee must analyse this in more detail.

Credit Agreement

8.10 On 4 July 2017, the Bankruptcy Trustee, with the authorisation of the supervisory judge, concluded a credit agreement (‘**Credit Agreement**’) with a group of five Noteholders (the ‘**Lenders**’).

8.11 When Oi Coop was granted a provisional suspension of payments, the costs of the suspension of payments were covered by the credit balances found on bank accounts of Oi Coop on 9 August 2017 and by (members of) the Oi Group. After all, the continuation of a

¹¹ The public reports in the insolvency proceedings of PTIF are published on www.cms-dsb.com/ptif.

suspension of payments requires the current costs to be covered. When Oi Coop's bankruptcy order was issued on 19 April 2017, the aforementioned credit balances were largely spent on the costs of the suspension of payments.

- 8.12** In order to cover the costs of the further course of Oi Coop's bankruptcy, the Bankruptcy Trustee contacted possible providers of financing. In that context, he contacted creditors, including PTIF's bankruptcy trustee and several groups of Noteholders. In addition, the Bankruptcy Trustee contacted Oi S.A. And parties who make their business out of financing proceedings.
- 8.13** Ultimately, only the Lenders proved willing to provide financing under the conditions set by the Bankruptcy Trustee.
- 8.14** Under the Credit Agreement, an amount of no more than USD 5 billion can be lent. The term of the loan is two years. No security was provided to secure the loan. The Bankruptcy Trustee did, however, undertake to provide proportional security if and as soon as it is no longer contrary to any Brazilian statutory provision or court decision.
- 8.15** At the time of this third public report, the Bankruptcy Trustee borrowed USD 3 million under the Credit Agreement.

Communication

- 8.16** The Bankruptcy Trustee will communicate general information regarding Oi Coop's insolvency proceedings to Oi Coop Noteholders and creditors via the Website (www.oibrasilholdingscoop-administration.com). He will also use the following channels and media:
- Notices containing information for creditors and Noteholders (the "Notices"). The Notices are available on the Website and will be shared through the channels of the clearing institutions by the indenture trustee, in accordance with the indenture agreements.
 - Public reports will be made available on the Website and through the Central Insolvency Register.
- 8.17** Other notifications and information will be made available on the Website. The Bankruptcy Trustee therefore advises interested parties to visit the Website regularly.

9. COOPERATION WITH THE BOARD

Order for cooperation

- 9.1** In his second public report dated 3 March 2017 (chapter 9), the Bankruptcy Trustee explained that the cooperation with the Board, which he believed was difficult at that time, was an important reason for him to request the Amsterdam District Court to withdraw Oi Coop's provisional suspension of payments and issue Oi Coop's bankruptcy order at the same time (the Request for Withdrawal).
- 9.2** In its decision dated 2 February 2017¹², the District Court denied the Bankruptcy Trustee's Request for Withdrawal. In its decision, the District Court considers, among other things, that the Bankruptcy Trustee and the Board should cooperate to successfully complete Oi

¹² The decision of the Amsterdam District Court dated 2 February 2017 has been published on the Website.

Coop's suspension of payments. In addition, the District Court recommended the parties to enter into consultations to coordinate their mutual expectations and to allow the Bankruptcy Trustee to properly carry out his duties as an administrator.

- 9.3** In view of the decision of the Amsterdam District Court, the Bankruptcy Trustee subsequently focused on a new attempt to cooperate with the Board and with the Oi Group in the interest of Oi Coop's creditors.
- 9.4** In a letter dated 2 March 2017, the Bankruptcy Trustee requested the Board to provide him with certain information that he deemed necessary to be able to properly carry out his duties as an administrator. It particularly concerned information with regard to the Brazilian RJ Plan (and thus the Dutch Composition) and financial (unconsolidated) information that is necessary to be able to assess the Dutch Composition and to deliver an opinion to Oi Coop's creditors. The Bankruptcy Trustee set relatively short time limits in that context, in view of the vote on the Dutch Composition scheduled on 18 May 2017 (see chapter 4 of this report).
- 9.5** After the expiry of the aforementioned time limits, it became clear that the Board was not willing at that time to provide the Bankruptcy Trustee with the information he requested. At the time of this third report, the Bankruptcy Trustee still has not received the information he requested.
- 9.6** On 23 March 2017, the Bankruptcy Trustee first became acquainted with the Oi Group's press release of 22 March 2017, in which the decision of the Oi Group, including Oi Coop, to amend the Brazilian RJ Plan was made known. The Bankruptcy Trustee was forced to conclude that the Board still did not involve him in material acts on behalf of Oi Coop.

Oi Coop's bankruptcy

- 9.7** In a decision of the Amsterdam Court of Appeal dated 19 April 2017, Oi Coop's provisional suspension of payments was withdrawn and its bankruptcy order was issued at the same time. The Bankruptcy Trustee was thereby appointed as Oi Coop's bankruptcy trustee.
- 9.8** In ground 4.13 of its decision of 19 April 2017, the Court of Appeal considers as follows:
- “The Court of Appeal recognises that Oi Coop, as a financing company of the Oi Group, wishes to tailor its conduct to the legitimate interests of the group to which it belongs, but this does not alter the fact that it cannot lose sight of the interests of its own creditors. It cannot be reconciled with this that Oi Coop or its management provides no or at least not enough information to the bankruptcy trustee to enable the bankruptcy to gain insight into the Brazilian composition negotiations and is therefore unable to assess whether the acceptance of a consolidated restructuring of the debts in the context of the RJ Proceedings is in the best interest of the estate. This entails that the above-described actions and behaviours of Oi Coop or its executive board (see under 4.11), which are contrary to the district court’s recommendations, constitute a ground to withdraw the suspension of payments on the basis of Section 242(1)(4) DBA.”*
- 9.9** This demonstrates that the Board's unwillingness to work together with the Bankruptcy Trustee was one of the grounds for the Amsterdam Court of Appeal to withdraw Oi Coop's suspension of payments and to declare Oi Coop bankrupt.

9.10 As a consequence of Oi Coop's bankruptcy order, the Board is no longer authorized under Dutch law to have Oi Coop's assets at its disposal That is an exclusive power of the Bankruptcy Trustee.

9.11 The Bankruptcy Trustee emphasizes that he is still open to cooperating with the Board, for example, but not limited to, in connection with a bankruptcy composition to be offered by Oi Coop.

10. LEGAL PROCEEDINGS

10.1 The Netherlands

Proceedings on withdrawal of Oi Coop's suspension of payments

10.1.1 In applications dated 1 December 2017 and 23 December 2017, respectively, the Bankruptcy Trustee and a number of Oi Coop's creditors (Citadel et al.) requested the Amsterdam District Court to withdraw Oi Coop's provisional suspension of payments and issue Oi Coop's bankruptcy order at the same time. The District Court rejected these applications in a decision dated 2 February 2017.

10.1.2 The Bankruptcy Trustee did not lodge an appeal against this decision. Citadel et al. did lodge an appeal. For a more detailed explanation, see also the Bankruptcy Trustee's second public report dated 3 March 2017.

10.1.3 In connection with the appeal lodged by Citadel et al., the Amsterdam Court of Appeal requested the Bankruptcy Trustee to express his opinion to the Court of Appeal. The appeal was dealt with at the hearing of the Amsterdam Court of Appeal of 29 March 2017. The Court of Appeal withdrew the provisional suspension of payments in respect of Oi Coop by decision of 19 April 2017 and simultaneously issued the bankruptcy order.

10.1.4 Oi Coop lodged an appeal in cassation against this decision. Following an oral hearing on 13 June 2017, the Supreme Court rejected Oi Coop's appeal in cassation by decision of 7 July 2017 and upheld the decision of the Amsterdam Court of Appeal of 19 April 2017. Oi Coop's bankruptcy and the appointment of the Bankruptcy Trustee as such have become final.

10.1.5 The above-mentioned decisions of the Amsterdam Court of Appeal and the Supreme Court dated 19 April 2017 and 7 July 2017, respectively, are published on the Website (www.oibrasilholdingscoop-administration.com).

10.1.6 In PTIF's suspension of payments, Citicorp, PTIF's indenture trustee, lodged an appeal against the decision of the Amsterdam District Court of 2 February 2017 (see also the Bankruptcy Trustee's second public report dated 3 March 2017).

10.1.7 The Amsterdam Court of Appeal withdrew PTIF's provisional suspension of payments and issued PTIF's bankruptcy order by decision of 19 April 2017. In addition, PTIF's administrator, *mr.* J.L.M. Groenewegen, was appointed bankruptcy trustee. PTIF subsequently took an appeal to the Supreme Court. The hearing of that appeal took place on 13 June 2017, together with the heading of the appeal in cassation lodged by Oi Coop. The Supreme Court rejected PTIF's appeal in cassation in its decision of 7 July 2017. PTIF's bankruptcy consequently became final.

- 10.1.8 The decisions of the Amsterdam Court of Appeal and the Supreme Court in the insolvency proceedings of PTIF can be found on the website of PTIF's bankruptcy trustee (www.cms-dsb.com/ptif).

Pauliana Proceedings

- 10.1.9 As explained in more detail in chapter 7 of this report, the Bankruptcy Trustee issued a summons on Oi S.A. And Oi Móvel on 30 May 2017, the Pauliana Proceedings. This summons - containing a motion for payment of an advance on the loss suffered (the **Preliminary Relief**) - has led to the filing of several motions by Oi Coop, Oi Móvel, Oi S.A., Brookfield and GoldenTree.

- 10.1.10 The state of the several motions are briefly explained below.

Oi Coop's Motion (intervention, or at least joinder)

- 10.1.11 Shortly after the Bankruptcy Trustee had sent the initiating summons to the Amsterdam District Court, Oi Coop filed a motion for intervention, or at least joinder on the part of Oi S.A. and Oi Móvel on 21 June 2017 (the **Oi Coop Motion**). Oi S.A. and Oi Móvel both move that this motion be allowed. The Bankruptcy Trustee deferred to the District Court's opinion in this case, in order to prevent the hearing of the Preliminary Relief from being substantially delayed.

- 10.1.12 The Amsterdam District Court ruled on 2 August 2017 that Oi Coop was not authorized to intervene in the Pauliana Proceedings as a result of the bankruptcy and then rejected the Oi Coop Motion.

- 10.1.13 Oi Coop subsequently lodged a summary appeal on 14 August 2017. In their defences on appeal, Oi S.A. And Oi Móvel both moved that this summary appeal be allowed. The Bankruptcy Trustee filed a motion for rejection on 5 September 2017 since Oi Coop, as a bankruptcy party, is not entitled to intervene in proceedings instituted by a bankruptcy trustee regarding fraudulent and unlawful acts by the debtor. At the time of this third report, the case has been scheduled for oral pleadings on 13 November 2017.

Motion Brookfield and GoldenTree

- 10.1.14 Shortly after the Oi Coop Motion, Brookfield and GoldenTree also filed a motion for the joinder on the part of Oi S.A. and Oi Móvel on 26 June 2017. The Bankruptcy Trustee did not oppose this motion – again to prevent the hearing of the Preliminary Relief sought by him from being delayed.

- 10.1.15 The Amsterdam District Court allowed the motions of Brookfield and GoldenTree on 13 September 2017.

Motion contesting jurisdiction Oi S.A. and Oi Móvel

- 10.1.16 In addition, Oi S.A. and Oi Móvel each separately filed a motion on 16 August and 23 August 2017, respectively, stating that the Dutch court has no jurisdiction to take cognizance of the Pauliana proceedings (the **Motions Contesting Jurisdiction**). They claim, on various grounds, that the Brazilian court has jurisdiction and that a decision in the Motions Contesting Jurisdiction is required before the Preliminary Relief Proceedings can be continued.

- 10.1.17 On 30 August 2017, the Bankruptcy Trustee moved that the Motions Contesting Jurisdiction be denied. Oi S.A. and Oi Móvel subsequently requested oral pleadings. In

order to avoid any further delays, the Bankruptcy Trustee requested the Amsterdam District Court on 6 September 2017 to determine primarily that, given the circumstances, Oi S.A. and Oi Móvel, are not entitled to put forward closing arguments and, alternatively, that if the District Court allows the request for oral arguments, it will also determine that Preliminary Relief Proceedings will be continued in parallel.

- 10.1.18 On 13 September 2017, the Amsterdam District Court allowed the Bankruptcy Trustee's alternative claim and decided that the Preliminary Relief Proceedings are continued in parallel to the Motions Contesting Jurisdiction. The District Court also scheduled the oral argument on 11 October 2017.

Preliminary Relief Proceedings

- 10.1.19 The hearing in the Preliminary Relief Proceedings was delayed as a result of the several motions raised. Since the Amsterdam District Court allows the Preliminary Relief Proceedings to continue in parallel to the Motions Contesting Jurisdiction, the Bankruptcy Trustee hopes to have a judgment in the short term.
- 10.1.20 At the time of this third report, the case is on the list of 11 October 2017 for the submission of a motion by Oi S.A., Oi Móvel, Brookfield and GoldenTree.

Capricorn proceedings

- 10.1.21 See the Bankruptcy Trustee's second public report dated 3 March 2017. The Bankruptcy Trustee has not yet taken legal action in these proceedings.

Section 69 DBA petition by Oi Coop

- 10.1.22 On 31 July 2017, Oi Coop requested the supervisory judge in the bankruptcy of Oi Coop, pursuant to Section 69 DBA to order the Bankruptcy Trustee, within 24 hours after the decision of the supervisory judge, to:
- (i) withdraw particular statements on Dutch (bankruptcy) law taken by the Bankruptcy Trustee in the US Chapter 15, because Oi Coop believes that those statements are incorrect;
 - (ii) confirm that the Oi Group's American counsel is free to represent both Oi S.A. and the Brazilian Foreign Representative with respect to Oi Coop in the US Chapter 15 procedure;
 - (iii) confirm that every adviser (in every jurisdiction) who acted on behalf of Oi Coop or the Brazilian Foreign Representative, prior to the issue of Oi Coop's bankruptcy, is free to continue to act in said capacity.

- 10.1.23 The Bankruptcy Trustee was subsequently heard by the supervisory judge on 3 August 2017.

- 10.1.24 After this, the supervisory judge rejected all of Oi Coop's requested in its decision of 8 August 2017.

10.2 Brazil

Proceedings seeking relief against the Bankruptcy Trustee

- 10.2.1 On 25 April 2017, shortly after the issue of Oi Coop's bankruptcy order, Oi S.A. requested the RJ Court to determine, among other things, that:

- (i) all of the Boards' juridical acts have been conducted in a valid manner in the context of the Brazilian RJ and that the Board, in spite of the Dutch bankruptcy, remains authorized to represent Oi Coop in and out of court, both in and outside of Brazil;
 - (ii) all powers of attorney granted by Oi Coop are and will remain valid;
 - (iii) Oi S.A. can continue to exercise its rights as Oi Coop's controlling entity;
 - (iv) the Bankruptcy Trustee, subject to a penalty of R\$ 300.000 per violation, must refrain from:
 - (A) influencing the Brazilian RJ as a representative of Oi Coop or carrying out actions that may harm the Brazilian RJ, without prior recognition of the Dutch bankruptcy by the Brazilian Supreme Court;
 - (B) influencing the actions of the Board and/or other representatives of Oi Coop;
 - (C) having disposal of Oi Coop's capital (including the payment of recurring expenses);
 - (D) paying Brazilian and foreign counsel whose activities are aimed at revoking Oi Coop's suspension of payments while simultaneously issuing the bankruptcy order.
- 10.2.2 The Bankruptcy Trustee became aware of this request by Oi S.A. only by chance. Following an explicit request from the Bankruptcy Trustee to that effect, the RJ Court allowed the Bankruptcy Trustee a few days to put up a defence. On 9 May 2017, the Bankruptcy Trustee filed a statement of defence in which he stated that the RJ Court had failed to recognize the jurisdiction of the Dutch courts and the universal effect of the Dutch bankruptcy.
- 10.2.3 The RJ Court nevertheless granted Oi S.A.'s request on 12 May 2017 (the **12 May Decision**).
- 10.2.4 The Bankruptcy Trustee lodged an appeal against the 12 May Decision with the courts of appeal of Rio de Janeiro on 7 June 2017. He requested the Reporting Judge to suspend the effect of the 12 May Decision by way of preliminary relief for the duration of the appeal.
- 10.2.5 The Reporting Judge rejected this request on 13 June 2017. After the Bankruptcy Trustee had filed an additional request (a 'motion for clarification'), it became clear that the decision of the Reporting Judge had to be understood such that he believed that the 12 May Decision had no effect outside of Brazil, unless other jurisdictions accepted that effect – which is the case, for example, with regard to actions carried out by the Bankruptcy Trustee in the Netherlands.
- 10.2.6 The Bankruptcy Trustee was informed on 12 September 2017 that the Oi Group had submitted a request with the RJ Court on 21 August 2017 in order to impose a penalty of R\$ 600.,00 on it based on the 12 May Decision, for (i) instituting the Pauliana Proceedings (see chapter 7 of this report) and (ii) sending the letter dated 16 June 2017 to the stakeholders (see section 5.22 of this report).
- 10.2.7 Within 24 hours after this request by the Oi Group was published and without giving the Bankruptcy Trustee the opportunity to respond to it, the RJ Court allowed the request on 13 September 2017 regarding the letter sent by the Bankruptcy Trustee to the stakeholders and imposed a penalty of R\$ 300,000. The RJ Court has ruled that instituting the Pauliana

Proceedings does not violate to 12 May Decision, because this is a Dutch matter. The Bankruptcy Trustee lodged an appeal to this penalty decision. In that context, he once again requested the Reporting Judge to suspend the effect of the penalty decision until a decision has been rendered on the appeal.

- 10.2.8 On 22 September 2017 the Reporting Judge allowed the Bankruptcy Trustee's request to suspend the penalty decision.

Proceedings Consolidation

- 10.2.9 The Bankruptcy Trustee lodged an appeal to the RJ Court's decision of 21 August 2017 with regard to consolidation (see sections 5.30 and 5.31 of this report).

- 10.2.10 In this appeal, the Bankruptcy Trustee requested the court of appeals of Rio de Janeiro, among other things, to rule that no Creditors Meeting will take place until insight has been given into the individual financial positions of the RJ Debtors. It is expected that it will take at least six months before the court of appeals give a decision on this request in the proceedings on the merits.

- 10.2.11 Given the short term until the Creditors Meeting, the Bankruptcy Trustee also requested that it be determined by way of preliminary relief that no General Meeting can be held until the RJ Debtors have provided full insight into the individual financial positions of the RJ Debtors.

- 10.2.12 On 6 September 2017, the Reporting Judge decided to grant this preliminary relief to the extent that the RJ Debtors publish the following information prior to the Creditors Meeting:

- (i) an individual list of creditors of each RJ Debtor;
- (ii) complete and up-to-date information on the financial position of each RJ Debtor;
- (iii) other relevant information that provides insight into the individual financial position of each RJ Debtor.

- 10.2.13 The Reporting Judge also determined that the consolidation envisaged by the Oi Group must be put to a vote on the Creditors Meeting.

- 10.2.14 The Bankruptcy Trustee informed the Brazilian Administrator and the RJ Debtors of this decision of the Reporting Judge by letter on 8 September 2017. In addition, it made an RJ Filing on 11 September 2017 in order to inform the RJ Court and the other interest parties. At the time of this report, the Oi Group has not yet complied with the decision of the Reporting Judge.

- 10.2.15 The Bankruptcy Trustee also requested the Reporting Judge in a motion for clarification on 14 September 2017 to explain whether the vote on the consolidation will take place for each RJ Debtor, or whether this vote will take place on a consolidated basis, by all creditors of the RJ Debtor in a single joint meeting.

11. MISCELLANEOUS

- 11.1** In the next reporting period, the Bankruptcy Trustee will continue to exert himself in the pending proceedings in Brazil, the United States and the Netherlands, among others, to

safeguard the interests of Oi Coop's creditors. At this moment, the Bankruptcy Trustee's main objective is a coordinated worldwide restructuring.

11.2 The next report will be published in approximately three months' time.